

Performance Evaluation Policies

Overview

The Board must review its performance and the performance of the individual Directors, the committees of the Board, the Company and senior executives regularly. This is an important element of the Board's monitoring role, especially with regard to long term growth of the Company and of shareholder value.

Performance evaluation process

The Board is required to meet annually to discuss their performance as a whole. Consideration should be given to any objectives and defined criteria established as a benchmark for assessing performance. The Board should at a minimum address the following:

- Understanding the Company's business adequately;
- Knowledge of the competition, market, risk factors etc;
- Allocate sufficient time on the long term strategy;
- The balance of power between the Board and the Chief Executive Officer;
- Access to adequate information from senior executives and other sources; and
- Enhancing shareholder value by the best possible margin.

The Board must ensure that any benchmarks that they are being appraised against are regularly reviewed to account for the changing environments facing the Company.

Whilst discussing the performance of the Board, the Directors are encouraged to provide comments on the performance of the Chairperson.

The Chairperson of the Board is responsible for meeting with the individual Directors to discuss their individual performance and contribution to the Board. The Chairperson should at a minimum address the following:

- Degree of independence including relevance of any conflicts of interests;
- Familiarity with Company operations and industry trends;
- Willingness to devote the necessary time including attendance at meetings, extent of preparation for meetings and willingness to participate in committee work;
- Value and adding value to the contributions of the Board;
- Level of ethical awareness; and
- Personal relationships with colleagues, senior executives and stakeholders.
- Whilst meeting with the individual Directors to discuss individual performance, the Chairperson must take the opportunity to obtain comments about co-directors performance on the Board.
- As part of the performance evaluation process, all Directors are expected where applicable, to highlight areas for improvement and provide a description as to how this can be achieved.
- At least annually the Board must review the performance of committees reporting to it to ensure that the committees are achieving outcomes.
- The Chief Executive Officer is responsible for assessing the performance of the senior executives within the organisation annually.
- Each manager is responsible for assessing the performance of the staff members within their division.
- The results of any review of the performance of an individual within the Company should be linked to their compensation arrangement.
- In the event that a Director, key executive or employee is not performing to an acceptable level, then a performance evaluation can be conducted on an as needs basis.

Executives

All executives are subject to annual performance planning and review.

The annual performance planning and review involves each executive being evaluated by the Chief Executive Officer. The executive's performance is evaluated against objectives that were set at the commencement of the year. Periodic reviews are held during the year to assess progress and a final review is performed at the completion of the year.

The outcomes of performance reviews are reported to the Audit & Risk Committee, which has overall responsibility for ensuring that performance management processes are in place for all executives (excluding the Chief Executive Officer, who is assessed by the Chairperson and other directors).

Executive remuneration is considered by the Audit & Risk Committee.

The Audit & Risk Committee also considers the overall amount of any discretionary bonus awarded to particular executives. This takes into account the overall performance of the Company against a range of measures, and the contribution made by a particular executive based on their performance.

The performance evaluation of the Chief Executive Officer is facilitated by the Chairperson, with ultimate oversight by the Board. The evaluation of the Chief Executive Officer involves an assessment of a range of factors including the overall performance of the Company and the achievement of specific pre-determined goals.

Staff

The performance evaluation of staff occurs in a manner similar to the performance evaluation of executives, although in circumstances the staff member's immediate superior is involved in the evaluation process instead of the Chief Executive Officer.

Links to Performance

Facilitating performance by education

In order to provide Directors and senior executives with the best possible chance of adding value to the Company and contributing to an accepted level, the Company has induction procedures implemented which are designed to allow new Board appointees to participate fully and actively in Board decision making at the earliest opportunity and senior executives to participate fully and actively in management decision making at the earliest opportunity.

It is noted that new Directors cannot be effective until they have a good deal of knowledge about the Company and the industry within which it operates. The Chief Executive Officer is responsible for ensuring that the new Director gains an understanding of all the necessary information relating to the Company. Such items include:

- The Company's financial, strategic, operational and risk management position;
- Their rights, duties and responsibilities; and
- The role of the Board committees.

The Remuneration and Nomination Committee shall monitor the orientation and continuing education programs for directors.

Access to information

In order to enhance performance the Board is provided with information it needs to efficiently discharge their responsibilities. The following is noted:

- The Company has an agreed procedure that directors are permitted to take independent professional advice if necessary at the Company's expense subject to the Chairman's approval;

- All Directors have access to the Company Secretary;
- The appointment and removal of the Company Secretary is a matter for the decision of the Board; and
- Directors are entitled to request additional information where they consider that the information supplied by management is insufficient to support informed decision making.